

## Message Text

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ACTION OPIC-06

INFO OCT-01 NEA-09 ISO-00 EB-07 AID-05 L-02 TRSE-00 COME-00

INR-07 SSO-00 INRE-00 /037 W

----- 092631

O 200830Z JAN 75

FM AMEMBASSY KABUL

TO SECSTATE WASHDC IMMEDIATE 1073

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E.O. 11652: NA

RS: EFIN, AF

SUBJECT: YAQUB LEATHER INDUSTRIES, INC. (YLI)

REF: A) STATE 278092; B) STATE 10031

FOR NEA/PAB SCHIFFERDECKER PASS OPIC

1. SUMMARY: THIS CABLE JOINTLY DRAFTED BY OPIC ATTORNEY SAMI UDDIN TARAKI AND EMBOFF MC GAFFEY. IT COVERS CURRENT STATUS OF ALL CP'S TO BE SATISFIED HERE. DOCUMENTS AND SIGNED OPINIONS WILL FOLLOW BY POUCH. IN SUMMARY, DR. TARAKI STATES THAT CP'S HAVE BEEN SUBSTANTIALLY MET. HOWEVER, CERTAIN DOCUMENTS AND ACTIONS HAVE NOT BEEN COMPLETED, AS DETAILED BELOW, WHICH WILL PREVENT FULL SATISFACTION OF DETAILS OF CP'S BY JAN 22.

ACTION REQUESTED: PLEASE ADVISE BY RETURN CABLE IF THIS SUFFICIENT FOR DISBURSEMENT.

2. THE FOLLOWING PARAGRAPHS ARE KEYED TO PARA NUMBERS IN REFTEL A.

4.1(I) EMBOFF RAU WAS PRESENT AT IDBA SIGNING JANUARY 19, 1975.

(II) ALL THREE EQUITY PARTNERS HAVE PAID THEIR SHARES, AND THE DISTRIBUTION IS LEGAL UNDER THE FDPIL.

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(III) HOWEVER, A FEW MINOR DETAILS REMAIN. TARAKI HAS NOT

SEEN COMPLETE VALUATION OF EQUIPMENT, BUILDINGS, ETC. CONTRIBUTED BY YAQUB; \$25. OF GENLEATHER MONEY HAS NOT BEEN CONVERTED TO AFS AND DEPOSITED BECAUSE OF CURRENTY RATE FLUCTUATIONS. THE AFZAL SHARES ARE BEING TRANSFERRED ACCORDING TO THE AFGHAN LAW; HOWEVER THE PROCESS IS LENGTHY AND NOT YET COMPLETE. THERE IS NO REASON TO BELIEVE THESE THINGS WILL NOT BE OR HAVE NOT BEEN DONE, BUT THE COMPLETE EVIDENCE HAS NOT BEEN PRESENTED. TARAKI HAS RECORDS OF LAND CONTRIBUTED BY YAQUB GROUP, MOST BANK DEPOSIT RECORDS, AND MOST PROOF OF EQUITY INVESTMENT.

4.2 TARAKI HAS OBTAINED AND SENT TO OPIC STOCK RETENTION AGREEMENT FROM YAQUB GROUP.

4.3 TARAKI HAS APPROVAL DOCUMENTS FOR YLI PLAN TO PRODUCE FURNISHED LEATHER. ALL NECESSARY GOVERNMENT APPROVALS HAVE BEEN OBTAINED. EXTRA COPY OF APPROVAL BEING POUCHED.

4.5 AMENDED ARTICLES OF INCORPORATION HAVE BEEN VALIDLY EXECUTED WITHIN COMPANY. THOSE DOCUMENTS FINALLY SIGNED BY ALL PARTIES (INCLUDING IDBA) JANUARY 19, 1975. HOWEVER, COMPLETE DOCUMENTS NEED TO BE REGISTERED WITH APPROPRIATE AFGHAN COURT.

4.6 TARAKI HAS OBTAINED AND FORWARDED TO OPIC BEST POSSIBLE DOCUMENTATION WITH RESPECT TO YLO PRESENT OWNERSHIP OF LAND AND BUILDINGS.

4.7 CABLE FROM USAID CLEARED TODAY GIVING FURTHER ENGINEERING OPINION AS REQUESTED. USAID ENGINEER NOTED THAT ALL CONSTRUCTION AND EQUIPMENT OF FIRST RATE QUALITY WITH EXCEPTION OF BUILDING ROOF, AND THAT SOME EQUIPMENT IS STILL NOT IN COUNTRY (HAS BEEN ORDERED FROM PAKISTAN AND US). NO CONSTRUCTION DOCUMENTS AS SUCH EXIST. YAQUBS HAVE HAD SUCH THINGS AS A BILL FROM A MSAON AND CARPENTER.

4.8 TARAKI HAS SENT ADVISE ON EFFECT AND SHAPE OF TASMIN. TASMIN DOES CREATE LIEN ON ALL ASSETS OF YLI (WITH EXCEPTION OF FUTURE ACCOUNTS RECEIVABLE).

4.9(I) INSURANCE COMPANY GENERAL MANAGER HAS ISSUED LETTER LIMITED OFFICIAL USE

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STATING THAT ALL AVAILABLE TYPES OF INSURANCE HAVE BEEN ISSUED, THA THEY HOLD LOSS PAYABLE OF CLAIMS LARGER THAN \$25,000 TO OPIC, AND THAT THEY WILL SETTLE IN DOLLARS TO OPIC. THIS LETTER BEING POUCHED.

4.10 TARAKI NOW HAS COPY OF SIGNED PROJECT COMPLETION AGREEMENT.

4.10(I) TARAKI WILL SEND VIA EMBASS POUCH UNDATED SIGNED

LEGAL OPINION AS YOU HAVE INSTRUCTED. HE WILL ADVISE BY CABLE WHEN ALL DETAILS COMPLETED.

(II) YAQUB AND BALBIR MATHUR HAVE BEEN UNABLE RPT UNABLE TO FIND NEW LAWYER WILLING TO ISSUE OPINION AT THIS TIME. THEY APPROACHED TARAKI WHO WAS ALSO UNABLE TO FIND ONE. AS LAST RESORT, TARAKI APPROACHED HIS FATHER, NAJMUDDIN TARAKI, ALSO AN ATTORNEY. NAJMUDDIN, WHILE RELUCTANT BECAUSE OF APPEARANCE OF CONFLICT OF INTEREST, HAS ISSUED OPINION IN FARSI WHICH TARAKI WILL HAVE TRANSLATED AND WILL CERTIFY. UNDER CIRCUMSTANCES EMBASSY RECOMMENDS THIS BE ACCEPTED FOR PURPOSE OF SATISFYING CP'S

(III) TARAKI HAS SENT DOCUMENTS RECOMMENDING THAT MINISTRY OF JUSTICE OPINION NOT RPT NOT BE REQUIRED AT THIS TIME. LETTER FROM YUNUS RAFIQ COULD BE ACCEPTED IN LIEU OF MINISTRY OF JUSTICE OPINION.

5.5 TARAKI APPROVES SIGNATURE OF GENESCO REPS IN US ON YLI PROMISSORY NOTE. SEE PARA 4 BELOW.

3. THE FOLLOWING NUMBERS REFER TO PARAS IN REFTEL B.

2. OPIC ADVISED OF "QAID" REGISTRATION BY KABUL 0218. DOCUMENT FROM COURT HAS BEEN TRANSMITTED TO OPIC VIA POUCH.

3. THIS CABLE SHOULD SATISFY REQUEST. ALL DOCUMENTS WILL PROBABLY NOT RPT NOT BE RECEIVED BY JANUARY 22, BUT NO MAJOR RPT MAJOR DIFFICULTIES EXIST.

(A) FOR ELEMENTS OF LEGAL OPINION, SEE ABOVE.

4.1 ACCORDING TO A RESOLUTION OF THE YLI BOARD OF DIRECTORS, LIMITED OFFICIAL USE

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EACH OF THE VICE PRESIDENTS OF THE COPORATION IS EMPOWERED TO SIGN THE PROMISSORY NOTE FOR THE CORPORATION. THIS WOULD ALLOW VICE PRESIDENT RUFUS H. CRAIG, VICE PRESIDENT W.C. O'CONNOR, OR VICE PRESIDENT JOHN KEENE TO SIGN THE NOTE IN U.S.

(B) DR. SAMI UDDIN TARAKI ADVISES THAT OPINION BY NAJMUDDIN TARAKI (FATHER OF SAMI UDDIN TARAKI) IS SUFFICIENTLY COMPLETE AND UNQUALIFIED.

(C)1(D) SEE ABOVE

5. YOUR INFORMATION WAS CORRECT. HOWEVER, EMBOFF RAU WITNESSED SIGNING OF SHARE SUBSCRIPTION AGREEMENT OF JANURARY 19. CHECK WILL BE ISSUED BY IDBA BY MONDAY, JANUARY 20. IDBA DISBURSEMENT MADE WITHOUT COMPLETION OF OPIC CP'S PUTS IDBA

ON SHAKY FOOTING, BUT THEY ACCEPTED ASSURANCES THAT ALL  
SUBSTANTIAL REQUIREMENTS HAVE BEEN MET.

4. NOW POUCHING FOLLOWING DOCUMENTS:

1. IDBA LETTER AGREEING TO DISBURSEMENT WITHOUT OPIC CP'S.
2. TARAHI OPINION RE MINISTRY OF JUSTICE OPINION.
3. LETTER FROM M.Y. RAFIQ, MINISTRY OF PLANNING RE  
LEGALITY OF YLI.
4. TARAHI COMMENTS ON INSURANCE.
5. INSURANCE DOCUMENTS.
6. TARAHI VOUCHER FOR PERIOD OCT 1, 1974-DECEMBER 31, 1974.
7. EXTRA COPY OF M Y RAFIQ LETTER APPROVING THREE AND  
ONE-HALF YEAR YLI PLAN WITH EMBASSY TRANSLATION.
8. CERTIFICATE THAT YLI HAS ACHIEVED 120 DOZEN DAY PROD-  
UNCTION TO SATISFY PROJECT COMPLETION AGREEMENT.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FOREIGN INVESTMENT, LEATHER, LOAN AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 20 JAN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** SmithRJ  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Original Handling Restrictions:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** 75 STATE 278092, 75 STATE 10031  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** SmithRJ  
**Review Comment:** n/a  
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**Review Date:** 29 JUL 2003  
**Review Event:**  
**Review Exemptions:** n/a  
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Margaret P. Grafeld  
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05 JUL 2006

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**Review Transfer Date:**  
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**Secure:** OPEN  
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**Subject:** YAQUB LEATHER INDUSTRIES, INC. (YLI)  
**TAGS:** EFIN, AF, YAQUB LEATHER INDUSTRIES  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006